

New Business

11/20/18.

**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**

159

CITY CLERK 2018 NOV 15 AM 12:22

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TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: November 15, 2018

RE: **Ordinance to Add Detroit Supply Schedule to Purchasing Procedures**

An ordinance to amend Chapter 18, Finance and Taxation, Article V, Purchases and Supplies, by adding Division 11 to permit creation of the Detroit Supply Schedule has been submitted to the City Council for approval. The public hearing on the ordinance has been set for Tuesday, November 20, 2018. City Council's Legislative Policy Division has been directed, by the Budget, Finance and Audit Committee, to review and comment on this proposed amendment.

The Detroit Supply Schedule Program, according to the overview from the Office of Contracting and Procurement, is a procurement vehicle to be used for "recurring goods and services" by leveraging the buying power of the City to negotiate price discounts on commonly used goods and services. Creation of the Detroit Supply Schedule is based on the experience of Washington D.C, which has used Supply Schedules for the past 20 years.

The Supply Schedule Program establishes a 2-part solicitation from vendors. The Chief Procurement Officer is authorized to initially issue a Request for Proposals (RFP) for goods and services identified in that request. From this RFP, contracts for vendors will be recommended to the City Council, to be approved, for up to 5-year terms [with option to renew 5 additional years] to provide the goods and/or services, as needed, at prices established by the contract. City Council's approval of these contracts will establish the Supply Schedule. Additional vendors or acceptable contractors may be added to the Supply Schedule list of contractors at any time. The ordinance provides that at least three (3) responses must be received before a contract will be submitted to the City Council to establish the Supply Schedule.

The Honorable City Council
Ordinance to Add Detroit Supply Schedule to Purchasing Procedures
November 15, 2018

Page 2

When the Office of Contracting & Procurement receive requisitions from City departments or agencies for specific goods and services that are needed, cost quotations, will be requested from the Supply Schedule of approved contractors. The lowest responsible bidder or bidders will be issued the authority to provide the goods or services for fulfill the specific request. Equalization credits will be applied to the cost quotations for eligible vendors. City Council approval will not be required for the agreement to deliver actual goods and services. The proposed Detroit Supply Schedule is meant to expedite the delivery of goods and services, make better use of staff time by eliminating frequent repetitive purchases of the same goods and services, reduce the City's cost for the procurement process, and reduce costs from vendors for required goods and services.

In addition to providing for the establishment of Supply Schedules, the ordinance also, provides that the Supply Schedule, guidelines and publications will be available on the website of the Office of the Chief Financial Officer; an Annual Review of the program shall be conducted by the Chief Financial Officer comparing prices of the City for goods and services with the market rates; and an overview of the Supply Schedule Program is to be provided, by the Chief Procurement Officer, to the City Council every five (5) years.

The ordinance further provides for the establishment of a "reserved bidding schedule" through which the Chief Procurement Officer shall reserve at least 30% of the Supply Schedule contracts to a reserved bidding schedule, for Detroit-based businesses only. The City Council shall review and approve the Supply Schedule – Reserved Bidding Schedule, every 5 years. The Chief Procurement Officer shall then obtain bids from vendors to fill the Reserved Bidding Schedule. However, if the results from vendors to fill the reserved bidding schedule are not satisfactory to the Chief Procurement Officer, he/she shall report to City Council the need to re-classify the Reserved Bidding Schedule as a regular Supply Schedule and comply with the general provisions of the Supply Schedule Program.

Section 18-5-177 of the Supply Schedule Ordinance directs the Chief Procurement Officer and the Director of Civil Rights and Inclusion Office to encourage participation of Detroit-based businesses and Detroit residents in the City's procurement process through the development of workshops, seminars and educational materials. Specifically, two (2) educational and outreach meetings are to be scheduled in each council district annually (for a total of at least 14 meetings). In addition, the City is to work with local colleges and the Detroit Public Schools Community District to encourage entrepreneurship and skills required to successfully participate in the bidding process.

There are clearly many benefits to the City and Detroit residents through the establishment of the Detroit Supply Schedule Program, as provided in the proposed ordinance. The City Council electing to approve the Supply Schedule vendors and give up the authority to approve the vendor's individual contracts for delivery of goods and services. The trade-off is designed to provide a process that is to expedite delivery of goods and services, and hopefully reduce some costs. It is not clear at this point how much of the total procurement will be done through the Supply Schedules. The Office of Contracting and Procurement (OC) has prepared a draft of 10 Supply Schedules, that appears to include almost all commodities purchased by the City, with the exception of vehicles.

In summary, the Supply Schedules appear to be established with the approval of the contracts by the City Council. Contracts cannot be submitted to the City Council unless at least 3 responses to the Request for Proposals are received. The definition of the Supply Schedule does not include any minimum number of approved contracts to be established. A question may be if the Supply Schedule can be established with City Council's approval of one (1) contract. Or, if after three contracts are approved, as part of a Supply Schedule, should two contractors be unable to continue, can the Supply Schedule still be used?

At this time, the Supply Schedules, proposed by OCP, appear to be quite general. It is not entirely clear, from the ordinance, how the Requests for Proposals will be issued, for the entire Supply Schedule, or for portions of that schedule.

Equalization factors are **not applied** in the selection of qualified contractors for the Supply Schedules. This makes some sense, as this is only the establishment of a list of acceptable bidders. Equalization **is applied** to the Request for Quotations and the determination of the Lowest acceptable bid, to actually provide the goods or services.

City Council is to review and approve the Reserved Bidding Schedule, for Detroit Certified businesses, every 5 years. This does not seem to be frequent enough. The ordinance is requiring a concerted effort to reach out and encourage participation of Detroit businesses to participate in the City's procurement. Hopefully, the workshops and seminars will be successful, and will result in a significant increase in Detroit businesses submitting proposals to be part of a Supply Schedule.

Finally, the City Council is provided an overview, by the Chief Procurement Officer, of the Supply Schedule Program, once every 5 years, beginning in 2024. This does not seem to be frequent enough for City Council to have adequate oversight of the program, and provide the necessary information to assure City Council members, that goals are being met, especially as it affects the reserved bidding schedule.

The concerns raised in this report may be addressed by future amendments, once the Detroit Supply Schedule has been established and the operation of the Supply Schedules can be assessed. Concerns may also be addressed through Rules and Procedures. City Council may wish to request, and include in the ordinance, that Rules and Procedures developed to implement the Detroit Supply Schedules be submitted to the City Council for review.

160

RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER
DISTRICT 6

MEMORANDUM

TO: David Bell, Director, BSEED
Brad Dick, GSD

VIA: Council President Brenda Jones

FROM: Council Member Raquel Castañeda-López

DATE: November 15, 2018

SUBJECT: FY 18/19 Budget Closing Resolution Follow-up (Demos)

During the FY 2018-19 budget process, City Council urged the Administration to consider the proximity of blighted buildings to DLBA community partners, active non-profits and other selected neighborhood organizations when determining which residential and commercial structures would be boarded and demolished.

In its response to Council, the Administration said that it is “examining the criteria for prioritizing demolished or boarded structure.” Please provide a list of the criteria being considered as well as the timeline for completion of this process.

If you have any additional questions, please contact the office at 313-224-2450. Thank you.

CC: Honorable City Council
Louise Jones, City Clerk’s Office
Stephanie Washington, City Council Legislative Liaison

161

RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER
DISTRICT 6

MEMORANDUM

TO: Donald Rencher, Director, HRD
DBA

VIA: Council President Brenda Jones

FROM: Council Member Raquel Castañeda-López

DATE: November 15, 2018

SUBJECT: FY 18/19 Budget Closing Resolution Follow-up (Credit Repair Workshops)

Given that low credit scores are a leading reason for rejected 0% Home Loan program applications, Council requested in the FY 18/19 Closing Resolution that HRD conduct annual credit repair workshops in each Council District.

The Administration responded that DBA participates in the Small Business Empowerment fairs, with a focus on the process of purchasing city owned property.

How has participation in these fairs helped improve residents' credit scores or reduce this barrier? If these fairs have not resulted in improvements, what other strategies are being implemented?

Has the Administration explored the possibility of conducting annual credit repair workshops in addition to the small business empowerment fairs?

If you have any additional questions, please contact the office at 313-224-2450. Thank you.

CC: Honorable City Council
Louise Jones, City Clerk's Office
Stephanie Washington, City Council Legislative Liaison

CITY CLERK 2018 NOV 15 PM 3:17

162

RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER
DISTRICT 6

MEMORANDUM

TO: Maurice Cox, Planning and Development Department
VIA: Council President Brenda Jones
FROM: Council Member Raquel Castañeda-López
DATE: November 15, 2018
SUBJECT: FY 18/19 Budget Closing Resolution Follow-up (Master Plan)

During the FY 2018-19 budget process, Council urged a wholesale update of the Master Plan, including neighborhood plans, a future mobility plan, and open space plan.

In its response, the Administration provided an update on funding to create a transportation master plan and a downsized effort for master planning of Public Lands (open spaces) in the Greater Mohican Regent area.

Please respond to the following regarding the wholesale update of the City's Master Plan:

- What is the Administration's plan and timeline for developing a city-wide open spaces plan?
- What is the Administration's plan to develop a comprehensive update to the Master Plan to include neighborhood plans beyond those selected for SNF investment?

If you have any additional questions, please contact the office at 313-224-2450. Thank you.

CC: Honorable City Council
Louise Jones, City Clerk's Office
Stephanie Washington, City Council Legislative Liaison

CITY CLERK 2018 NOV 16 PM 3:17

RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER
DISTRICT 6

MEMORANDUM

TO: Saskia Thompson, Director, Detroit Land Bank Authority
Maurice Cox, Planning and Development

VIA: Council President Brenda Jones

FROM: Council Member Raquel Castañeda-López

DATE: November 15, 2018

SUBJECT: FY 18/19 Budget Closing Resolution Follow-up (DLBA Transfers)

During the FY 2018-19 budget process, City Council urged the DLBA to develop a specific timeline for the transfer of properties from the City of Detroit to the DLBA, to aid in monitoring the efficiency of housing and blight remediation concerns.

In its response to Council, the Administration noted that “The City of Detroit still owns approximately 6,000 residential properties that it had intended and attempted to transfer to the DLBA previously.” Please elaborate on the financial, legal or other barriers that have prevented these transfers.

What is the projected timeline for transferring residential property to the Land Bank and for the Land Bank to transfer any commercial property back to the city?

If you have any additional questions, please contact the office at 313-224-2450. Thank you.

CC: Honorable City Council
Louise Jones, City Clerk's Office
Stephanie Washington, City Council Legislative Liaison

164

RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER
DISTRICT 6

MEMORANDUM

TO: Maurice Cox, Planning and Economic Development
Ron Brundidge, Public Works

VIA: Council President Brenda Jones

FROM: Council Member Raquel Castañeda-López

DATE: November 15, 2018

SUBJECT: FY 18/19 Budget Closing Resolution Follow-up (Buffers)

During the FY 2018-19 budget process, City Council urged the Administration to incorporate roadside vegetative buffers or green space between residential areas and other uses in infrastructure improvement and development projects. Buffers can be an inexpensive means to screen noise and odors and have been shown to improve air quality and health outcomes¹ by reducing the pollutants that reach residents.

In its response, the Administration mentioned some environmentally friendly steps that have been taken to modernize facilities and recycle.

Please provide information on any efforts to incorporate buffer space.

If you have any additional questions, please contact the office at 313-224-2450. Thank you.

CC: Honorable City Council
Louise Jones, City Clerk's Office
Stephanie Washington, City Council Legislative Liaison

¹ According to CAPHE, buffers can lead to "improvements over time in respiratory diseases such as asthma and reduced lung irritation, coughing, and difficulty breathing; reduced lung diseases; fewer heart attacks, irregular heartbeat, and cases of cardiovascular disease; fewer low birth weight infants; and cancer." See CAPHE. *Buffers and Barriers*. 2016 available at <http://caphedetroit.sph.umich.edu/wp-content/uploads/2016/10/Resource-Manual-7.3-Buffers-and-Barriers-10-4-16-Website-Version.pdf>

165

RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER
DISTRICT 6

MEMORANDUM

TO: Ron Brundidge, Director, DPW
Gary Brown, Director, DWSD
Brad Dick, GSD

VIA: Council President Brenda Jones

FROM: Council Member Raquel Castañeda-López

DATE: November 15, 2018

SUBJECT: FY 18/19 Budget Closing Resolution Follow-up (Alleys)

During the FY 2018-19 budget process, City Council urged the Administration to devise and fund a comprehensive plan to address the conditions of alleys in Detroit, including removal of debris and blight, maintenance of drains, pest control, and installation of lights.

In its response to Council the Administration stated that it is making heavy equipment available to neighborhoods groups to help them clean out their alleys. Please respond to the following:

1. What specific heavy equipment and how many will be made available to neighborhood groups during Motor City Makeover?
2. Who will be responsible for operating the heavy equipment? (If residents, what, if any, are the requirements neighborhood group representatives must meet to operate this equipment?)
3. How can residents request heavy equipment on Motor City Makeover for alley clean-up?
4. How can residents not belonging to neighborhood groups receive support in cleaning out their alleys?
5. What is the City's plan to address blighted alleys behind DLBA-owned homes?
6. What is the City's plan to maintain the alley drains?
7. What is the City's plan regarding alley lighting?
8. In addition to Motor City Makeover, are there any continual or year-round initiatives residents can access to maintain their alleys?

If you have any additional questions, please contact the office at 313-224-2450. Thank you.

CC: Honorable City Council
Louise Jones, City Clerk's Office
Stephanie Washington, City Council Legislative Liaison

CITY CLERK 2018 NOV 15 PM3:15